

e-FILING REPORT COVER SHEET

REPORT NAME: Annual WARM Report for the 2010-2011 Heating Season

COMPANY NAME: NW Natural Gas Company

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? No Yes

If yes, please submit only the cover letter electronically. Submit confidential information as directed OAR 860-001-0070 or the terms of an applicable protective order.

If known, please select designation: RE (Electric) RG (Gas) RW (Water)
 RO (Other)

Report is required by: OAR
 Statute
 Order Order No. 07-426
 Other

Is this report associated with a specific docket/case? No Yes
If Yes, enter docket number: UG 163 and UG 152

Key words: WARM, Annual Report, 2010-2011 Heating Season

If known, please select the PUC Section to which the report should be directed:

- Corporate Analysis and Water Regulation
- Economic and Policy Analysis
- Electric and Natural Gas Revenue Requirements
- Electric Rates and Planning
- Natural Gas Rates and Planning
- Utility Safety, Reliability & Security
- Administrative Hearings Division
- Consumer Services Section

PLEASE NOTE: Do NOT use this form or e-filing with the PUC Filing Center for:

- **Annual Fee Statement form and payment remittance or**
- **OUS or RSPF Surcharge form or surcharge remittance or**
- **Any other Telecommunications Reporting or**
- **Any daily safety or safety incident reports or**
- **Accident reports required by ORS 654.715.**

NATASHA SIORES
Senior Rates Analyst
Tel: 503.226.4211 ext. 3588
Fax: 503.721.2516
email: ncs@nwnatural.com



VIA ELECTRONIC FILING

November 29, 2011

Public Utility Commission of Oregon
550 Capitol Street, NE, Suite 215
Post Office Box 2148
Salem, Oregon 97308-2148

Attention: Filing Center

Re: RG ___: Annual WARM Report for the 2010-2011 heating season - Docket Nos. UG 163 & UG 152

Enclosed please find NW Natural's Annual WARM Report, pursuant to the stipulation filed in Docket Nos. UG 163/UG 152, Extending the Term of Weather-Adjusted Rate Mechanism and Distribution Margin Normalization, as approved in Commission Order No. 07-426 (September 26, 2007).

An electronic copy of this letter and the attached spreadsheets has also been provided to each of the individual signatories of the stipulation.

Please feel free to call if you have questions.

Sincerely,

/s/ Natasha Siores

Natasha Siores

enclosures

cc: Robert Jenks - CUB
Jason Jones - OPUC
Paula Pyron - NWIGU

NW Natural
 Rates & Regulatory Affairs
 Annual Report of WARM
 For the WARM season December 2010-June 2011

		Revenue Month						WARM	
		Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Season Total
1	I. Degree Day Differences								
2	Total Billing Heating DD ^{1/}								
3	Albany Residential								
4	Actual	16,269,618	18,703,493	14,305,466	14,019,392	10,880,221	2,018,393	502	76,197,085
5	Normal	16,876,070	19,380,689	15,354,414	11,411,075	9,338,063	1,386,349	325	73,746,985
6	Difference	(606,452)	(677,196)	(1,048,948)	2,608,317	1,542,158	632,044	177	2,450,100
7									
8	Commerical								
9	Actual	1,778,610	2,067,702	1,567,731	1,539,597	1,178,827	221,448	0	8,353,915
10	Normal	1,848,205	2,149,897	1,707,345	1,232,849	1,000,783	146,224	0	8,085,303
11	Difference	(69,595)	(82,195)	(139,614)	306,748	178,044	75,224	0	268,612
12									
13	Astoria Residential								
14	Actual	3,841,983	5,237,008	4,372,401	4,741,370	3,709,621	1,775,576	(947)	23,677,012
15	Normal	3,545,822	5,103,440	4,159,004	3,678,644	3,082,173	1,269,798	(675)	20,838,206
16	Difference	296,161	133,568	213,397	1,062,726	627,448	505,778	(272)	2,838,806
17									
18	Commerical								
19	Actual	533,426	726,038	601,104	660,952	503,204	263,686	(376)	3,288,034
20	Normal	493,461	705,609	568,303	507,034	412,570	181,710	(331)	2,868,356
21	Difference	39,965	20,429	32,801	153,918	90,634	81,976	(45)	419,678
22									
23	Coos Bay Residential								
24	Actual	290,024	351,420	253,431	331,462	273,141	3,019	0	1,502,497
25	Normal	262,768	321,575	289,643	245,122	219,145	2,082	0	1,340,335
26	Difference	27,256	29,845	(36,212)	86,340	53,996	937	0	162,162
27									
28	Commerical								
29	Actual	82,431	102,523	71,965	96,628	79,041	176	0	432,764
30	Normal	74,021	93,361	83,370	69,790	61,988	116	0	382,646
31	Difference	8,410	9,162	(11,405)	26,838	17,053	60	0	50,118
32									
33	Eugene Residential								
34	Actual	13,250,101	16,993,367	13,726,674	14,353,757	10,023,220	6,716,391	905	75,064,415
35	Normal	13,962,276	18,606,676	14,880,535	11,927,108	9,080,543	4,619,295	100	73,076,533
36	Difference	(712,175)	(1,613,309)	(1,153,861)	2,426,649	942,677	2,097,096	805	1,987,882
37									
38	Commerical								
39	Actual	1,944,719	2,495,067	2,048,892	2,141,628	1,453,060	991,563	243	11,075,172
40	Normal	2,054,668	2,773,992	2,205,417	1,772,705	1,322,398	655,223	150	10,784,553
41	Difference	(109,949)	(278,925)	(156,525)	368,923	130,662	336,340	93	290,619
42									
43	Lincoln City Residential								
44	Actual	3,501,472	3,541,283	3,036,021	3,403,077	3,125,713	13,280	(237)	16,620,609
45	Normal	3,425,794	3,382,179	2,730,119	2,339,573	1,924,315	6,539	(158)	13,808,361
46	Difference	75,678	159,104	305,902	1,063,504	1,201,398	6,741	(79)	2,812,248
47									
48	Commerical								
49	Actual	463,533	494,544	404,531	473,298	426,289	1,059	0	2,263,254
50	Normal	455,606	471,677	367,383	314,303	254,536	492	0	1,863,997
51	Difference	7,927	22,867	37,148	158,995	171,753	567	0	399,257
52									
53	Portland Residential								
54	Actual	169,161,279	204,442,339	159,320,637	166,409,751	114,046,476	35,664,236	(5,075)	849,039,643
55	Normal	161,028,114	213,176,954	168,233,353	125,819,025	87,264,057	21,949,160	(5,468)	777,465,195
56	Difference	8,133,165	(8,734,615)	(8,912,716)	40,590,726	26,782,419	13,715,076	393	71,574,448
57									
58	Commerical								
59	Actual	14,820,866	18,335,334	14,138,630	14,969,933	9,833,650	3,027,208	1,588	75,127,209
60	Normal	13,971,011	19,169,613	15,145,574	11,065,781	7,392,820	1,799,292	1,094	68,545,185
61	Difference	849,855	(834,279)	(1,006,944)	3,904,152	2,440,830	1,227,916	494	6,582,024
62									
63	Salem Residential								
64	Actual	31,708,427	41,465,250	30,853,926	35,497,112	23,966,917	19,853,872	3,626	183,349,130
65	Normal	31,459,122	45,957,199	37,467,817	30,474,374	23,491,672	14,848,196	3,019	183,701,399
66	Difference	249,305	(4,491,949)	(6,613,891)	5,022,738	475,245	5,005,676	607	(352,269)
67									
68	Commerical								
69	Actual	3,115,247	4,081,200	2,984,111	3,479,271	2,311,845	1,786,563	721	17,758,958
70	Normal	3,097,132	4,543,311	3,664,552	2,949,092	2,261,277	1,296,519	519	17,812,402
71	Difference	18,115	(462,111)	(680,441)	530,179	50,568	490,044	202	(53,444)
72									
73	The Dalles Residential								
74	Actual	2,506,518	3,162,665	2,010,489	2,219,134	1,662,073	444,241	178	12,005,298
75	Normal	2,325,359	3,266,918	2,591,290	1,968,107	1,411,552	301,496	161	11,864,883
76	Difference	181,159	(104,253)	(580,801)	251,027	250,521	142,745	17	140,415
77									
78	Commerical								
79	Actual	563,882	744,889	466,566	509,218	382,253	147,989	0	2,814,797
80	Normal	524,674	759,734	608,884	462,193	328,315	98,000	0	2,781,800
81	Difference	39,208	(14,845)	(142,318)	47,025	53,938	49,989	0	32,997

^{1/} Total Billing Degree Days equals sum of degree days for all bills issued during the revenue month. For example, if the degree days for a bill period was 100, and 10,000 bills were issued with the same bill period, the total degree days are 1,000,000.

		Revenue Month						WARM		
		Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Season Total	
86	II. Charges and credits									
87	Net Charges (includes settle-up amts)									
88										
89	Albany	Residential	\$51,348	\$57,531	\$87,434	(\$214,658)	(\$126,484)	(\$53,381)	(\$1,245)	(\$199,454)
90		Commerical	\$16,877	\$20,688	\$31,466	(\$71,545)	(\$40,797)	(\$21,820)	(\$4,564)	(\$69,696)
91										(\$269,149)
92										
93	Astoria	Residential	(\$24,659)	(\$10,832)	(\$16,827)	(\$86,201)	(\$51,261)	(\$43,317)	(\$3,879)	(\$236,975)
94		Commerical	(\$10,117)	(\$4,936)	(\$6,887)	(\$34,449)	(\$20,020)	(\$23,536)	(\$11,302)	(\$111,247)
95										(\$348,222)
96										
97	Coos Bay	Residential	(\$2,236)	(\$2,468)	\$2,898	(\$6,892)	(\$4,384)	(\$416)	\$0	(\$13,497)
98		Commerical	(\$2,112)	(\$2,273)	\$2,717	(\$6,389)	(\$3,969)	(\$1,244)	\$0	(\$13,269)
99										(\$26,766)
100										
101	Eugene	Residential	\$57,828	\$131,520	\$91,347	(\$198,247)	(\$76,463)	(\$167,420)	\$353	(\$161,081)
102		Commerical	\$22,679	\$63,740	\$32,564	(\$85,609)	(\$28,798)	(\$69,122)	(\$10,416)	(\$74,962)
103										(\$236,043)
104										
105	Lincoln City	Residential	(\$6,031)	(\$12,886)	(\$24,913)	(\$84,151)	(\$93,064)	(\$14,328)	\$13	(\$235,361)
106		Commerical	(\$1,904)	(\$5,699)	(\$8,963)	(\$35,185)	(\$35,259)	(\$19,070)	\$0	(\$106,080)
107										(\$341,441)
108										
109	Portland	Residential	(\$663,171)	\$737,075	\$735,174	(\$3,338,638)	(\$2,200,697)	(\$1,180,914)	(\$44,415)	(\$5,955,585)
110		Commerical	(\$204,363)	\$201,669	\$226,645	(\$874,815)	(\$530,164)	(\$445,276)	(\$109,265)	(\$1,735,570)
111										(\$7,691,155)
112										
113	Salem	Residential	(\$19,574)	\$372,374	\$539,548	(\$414,799)	(\$36,344)	(\$410,120)	\$11,721	\$42,806
114		Commerical	(\$4,872)	\$106,945	\$138,116	(\$126,481)	(\$10,946)	(\$101,012)	\$16,701	\$18,449
115										\$61,256
116										
117	The Dalles	Residential	(\$14,766)	\$8,687	\$41,985	(\$20,467)	(\$20,434)	(\$7,049)	\$649	(\$11,396)
118		Commerical	(\$9,624)	\$3,714	\$24,894	(\$11,136)	(\$12,411)	(\$4,064)	\$276	(\$8,352)
119										(\$19,748)
120										
121	TOTAL	Residential	(\$621,260)	\$1,281,001	\$1,456,647	(\$4,364,051)	(\$2,609,131)	(\$1,876,945)	(\$36,802)	(\$6,770,542)
122		Commerical	(\$193,436)	\$383,848	\$440,551	(\$1,245,609)	(\$682,364)	(\$685,145)	(\$118,571)	(\$2,100,727)
123										(\$8,871,268)
124										
125										

126	III. Amounts Deferred and % of Bills With Deferrals		
127	Bills Issued under WARM Program		
128	Residential		2,696,073
129	Commerical		281,090
130			2,977,163
131			
132	Deferred Amts		
133	Residential		
134	Charges		\$96,393
135	Credits		(\$220,233)
136	Commerical		
137	Charges		\$201,849
138	Credits		(\$552,112)
139			
140	Count of Bills where WARM Amts were Deferred		
141	Residential		87,658
142	Commerical		59,283
143			146,941
144	% of Bills where WARM Amts were Deferred		
145	Residential		3.3%
146	Commerical		21.1%
147			
148			
149			

150	IV. Other Statistics		
151	Number of Customers Opted out of WARM Program as of January 31, 2011		
152	Residential		48,813
153	Commerical		4,006
154			52,819
155			
156	Number of Customer Calls related to WARM program		392
157			
158	# At Fault Complaints related to WARM program		0
159			
160	Summary of Billing Issues related to WARM:		
161	There were no billing issues related to WARM during this WARM season.		
162			
163			
164			
165			
166			
167	Financial Impact December 2010 - June 2011		
168	Net Income Impact		-\$5.3 million
169	EPS Impact		-\$0.20 EPS



Rates & Regulatory Affairs

ANNUAL WARM Report - Narrative For the 2010-2011 Heating Season

This report was developed in a manner consistent with the stipulation filed in Docket Nos. UG163/UG152 Extending the Term of Weather-Adjusted Rate Mechanism and Distribution Margin Normalization, as approved in Commission Order No. 07-426.

Item I: Degree Differences

Item I on page 1 of the Annual WARM Report shows total billing degree day differences by weather zone and customer class for each month of the 2010-2011 WARM season. Total billing degree day differences equals the sum of degree days for all bills issued during the revenue month. Positive degree day differences indicate that weather was colder than normal.

Item II: Charges and credits

Item II on page 2 of the Annual WARM Report shows the net charges or credits by weather zone and customer class billed to customers for each month of the 2010-2011 WARM season. Credit amounts denote a benefit or refund to customers. The total amount credited to customers for the 2010-2011 WARM season was \$8,871,268.

Item III: Amounts Deferred and % of Bills With Deferrals

Item III on page 2 of the Annual WARM Report shows by class the amounts outside the limits that were deferred and the percentage of bills these deferrals represented.

For the Residential class, a total of \$96,393 in charges and \$220,233 in credits were deferred on 87,658 bills out of a total of 2,696,073 WARM bills issued resulting in a 3.3% overall average percentage of Residential bills with deferrals during the 2010-2011 WARM season.

For the Commercial class, a total of \$201,849 in charges and \$552,112 in credits were deferred on 59,283 bills out of a total of 281,090 WARM bills issued resulting in a 21.1% overall average percentage of Commercial bills with deferrals during the 2010-2011 WARM season.

Item IV: Other Statistics

Item IV on page 2 of the annual WARM Report provides the following statistical information for the 2010-2011 WARM season:

1. As of January 31, 2011 there were 48,813 Residential and 4,006 Commercial customers who were opted out of the WARM program
2. There were 392 customer phone calls related to the WARM program
3. There were no at fault complaints related to the WARM program. There were no billing errors related to the WARM program during the 2010-2011 WARM season
4. The estimated net income impact for the 2010-2011 WARM season was an decrease of \$5.3 million, or approximately \$0.20 in EPS.